



Tax Changes

Personal Income Tax Credits

The province will provide \$11 million in personal tax relief to Nova Scotians for the 2011 taxation year. The government will

- Increase the Basic Personal Amount—the money people earn before they have to start paying taxes—by \$250. This means that Nova Scotia’s basic personal amount will rise to \$8,481 from \$8,231.
- Increase non-refundable tax credits by the same proportion for eligible Nova Scotia taxpayers. These credits include amounts for the following: spouse or common-law partner, dependent, pension income, disability, caregiver, age, and infirm/dependents age 18 or older.

Nova Scotia Affordable Living Tax Credit and Poverty Reduction Credit

Effective July 1, 2011, the government will index both payments by 2.2 per cent, at a cost of \$1.6 million in 2011–2012. These tax credits provide additional income for low-income households to help reduce the impact of rising prices on everyday needs.

Tax Reduction for Low-Income Seniors

This year, the government will put up to \$9.2 million back into the hands of seniors who receive the Guaranteed Income Supplement (GIS). Announced last year, the province is refunding the full amount of provincial income tax paid by these seniors. In early fall, the government expects to send rebate cheques to about 18,000 seniors who received the GIS in 2010. In 2011–2012, the Department of Finance is administering the program by using 2010 tax returns to assess eligibility and process the refund.

Tax Reduction for Small Business

Through the 2011–2012 budget, the government will further reduce the provincial tax impact on small businesses. On January 1, 2012, the government will reduce the rate of corporate income tax for small businesses from 4.5 per cent to 4 per cent. Last year, the rate dropped from 5 per cent to 4.5 per cent. It will cost \$500,000 in 2011–2012, increasing to \$5.9 million in 2012–2013. Eligible small businesses can apply this rate on the first \$400,000 of taxable income.

The combined impact of these rate decreases will save small businesses an additional \$6.5 million in 2011–2012, rising to \$10.8 million annually by 2012–2013.

Large Corporations Tax

On July 1, 2011, the province will reduce the Large Corporations Tax on capital of non-financial institutions, from 0.10 per cent to 0.05 per cent, as announced in the 2006–2007 budget. The tax will be eliminated on July 1, 2012.

Film Industry Tax Credit and Digital Media Tax Credit Changes

The government has reaffirmed its commitment to the film industry and these tax credit programs by enhancing the Film Industry Tax Credit and Digital Media Tax Credits, announced in December 2010. The province removed the total production costs cap for the film industry tax credit. This allows producers to claim between 50 and 65 per cent of eligible Nova Scotia labour without any cap, thereby encouraging them to hire locally.